



U.S. Department of Justice

United States Attorney
Northern District of Texas

*1100 Commerce St., 3rd Fl.
Dallas, Texas 75242-1699*

*Telephone (214)659-8600
Fax (214)767-2898*

FOR IMMEDIATE RELEASE
CONTACT: 214/659-8600
www.usdoj.gov/usao/txn

DALLAS, TEXAS
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**SOUTH DALLAS REAL ESTATE AGENT
SENTENCED TO 30 MONTHS IMPRISONMENT
FOLLOWING CONVICTION ON LOAN FRAUD CHARGES**

United States Attorney Richard B. Roper announced that Charles E. Reynolds, a South Dallas real estate agent, was sentenced today by the Honorable David C. Godbey, United States District Judge, to 30 months in federal prison following his conviction on federal housing fraud charges. Judge Godbey also ordered Reynolds to pay restitution to the Department of Housing and Urban Development in the amount of \$100,310.

In June, a federal jury convicted Reynolds on all five counts of an indictment that charged him with making false and fraudulent statements to the Department of Housing and Urban Development (HUD) in connection with federally insured loan applications.

Testimony at trial indicated that from 1997 through 1999, while Reynolds was employed at Thomas Williams and Associates Realty, located at 415 W. Ledbetter in Dallas, he assisted a number of financially unqualified borrowers in obtaining HUD insured loans. Reynolds, who the evidence showed knew the borrowers were not qualified, would help the borrowers falsify income and credit information which would then be submitted to a loan processor who was also part of the scheme. When borrowers later were unable to meet their monthly mortgage payments, the loans went into default and HUD eventually had to bear the resulting financial loss through its mortgage insurance program.

Reynolds, age 51, is the third individual associated with the scheme to be convicted. Darlyn Lawson of Mesquite pled guilty in 2001 to wire fraud in connection with a loan on which she falsified paperwork. She was sentenced to five years probation. Joey Davis of Dallas pled guilty in 2003 to making multiple false statements to HUD. Davis was sentenced to three years probation. Both Lawson and Davis had pled guilty and had cooperated with the government prior to their sentencings.

The case was investigated by HUD's local housing fraud task force, with the assistance of the Federal Bureau of Investigation. The case was prosecuted by Assistant United States Attorneys Phillip C. Umphres and Dayle Elieson.

